

Will end unfair geographic disparities that have punished Iowans for decades

FOR IMMEDIATE RELEASE

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Washington, DC - Rep. Bruce Braley announced a major breakthrough today on the issue of Medicare payment reform he secured in the final health care bill. In a meeting at the Capitol today, Health and Human Services Secretary Kathleen Sebelius announced to Braley and other members of the Quality Care Coalition that she has commissioned the first of two Institute of Medicine Studies to evaluate moving Medicare to a quality-based reimbursement system and to end geographic disparities in Medicare reimbursement. The study announced today will evaluate the geographic payment factors that adjust payments for both doctors and hospitals in time for the 2012 payment cycle.

“The commissioning of this study is an important step in finally changing the way Medicare does business,” Braley said. “For decades, Iowa's doctors have been punished for no reason other than geography. The study announced today will finally evaluate the data and prove what we've known for decades: that Iowa's medical providers offer some of the best care in the nation, but have never been properly reimbursed. We still have a lot of work to do and I look forward to working closely with Secretary Sebelius to ensure we fully implement all the provisions she guaranteed during the late-night health care negotiations.”

Sebelius promised Braley in written guarantees during the health care negotiations to conduct two Medicare studies on the topics of geographic disparities and quality-based reimbursement because they did not qualify for reconciliation under the Byrd Rule.

Braley negotiated a compromise adding language to the health care reform bill that provides an immediate \$800 million to address geographic disparities for **both doctors and hospitals**, as well as written guarantees from Health and Human Services Secretary Kathleen Sebelius for further action to reform Medicare reimbursement rates that do not qualify for reconciliation under the Byrd Rule. The Senate bill previously only provided a Medicare reimbursement fix for doctors.

The House reconciliation package maintained automatic implementation of a value index as part of the reimbursement structures for doctors, beginning in 2015. This language was secured in the Senate bill with the help of Harkin and is based on Braley's *Medicare Payment Improvement Act*, introduced in June 2009. Under the fixes secured in the Senate bill and House reconciliation package, Iowa doctors will see five percent increases in current Medicare reimbursement rates in both 2010 and 2011.

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